



WEEKLY REPORT

ARIZONA STATE RETIREMENT SYSTEM

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For the week ending Friday, January 14, 2005

Welcome to the ASRS Weekly Report. This report provides a briefing of news and notices important to member employers and your employees. Please direct comments or email address updates to WeeklyReport@asrs.state.az.us or phone (602) 308-5107.

***** Please distribute or make this report available to your employees. *****

Legislative News

The 2005 Legislation session opened at noon on January 10. There have been a notable number of technical corrections bills (the press has reported the number of such bills as “unusually high”) and the general consensus is that the sponsors of these types of bills may be using them for striker vehicles as session progresses. Another interesting change for this session’s Legislature is the House’s separation of normally one Appropriations Committee into two: Appropriations “B” and Appropriations “P” which are the respective initials for the two House chairs (Representative Boone and Representative Pearce).

Rep. Marian McClure, R-Dist. 30, as chair of the House Public Institutions and Retirement Committee, is the sponsor of the ASRS legislative package for the 2005 Legislation session, as follows:

1. HB2472 (ASRS; payroll deduction agreements; purchases) mandates that an ASRS member’s payroll deduction agreement for the purposes of purchasing additional service time must continue when the member transfers employment between ASRS participating employers.
2. HB2473 (ASRS retirees; eligibility for AHCCCS) provides ASRS the opportunity to explore the AHCCCS business model and provider network by including “retirees” as an “eligible person” in the AHCCCS definition statutes.

More detailed information regarding the status of the above bills as well as other bills that may affect the ASRS or retirement issues is available on the attached Quick Reference.

ASRS News

ASRS Annual Report available on-line

The 2004 Comprehensive Annual Report of the Arizona State Retirement System was recently published and is available on-line at www.asrs.state.az.us. The 121-page report contains data for fiscal year 2003-04, ended June 30 and covers the areas of finance, investment, actuary and statistics.

Employer staff training workshops

The ASRS Employer Relations Division is again hosting a series of workshops to assist employers with new staff members who have duties and responsibilities related to the ASRS and retirement. ER 101 is designed especially for those who haven’t worked with the ASRS in the recent past. Come learn the basics!

Subject matter will include determining membership, the ASRS Long Term Disability plan, reporting contributions, the ASRS Return to Work Program, the Health Insurance Premium Benefit Program, completing necessary ASRS forms and more. Workshops will be from 8:30 a.m. to 12:30 p.m. at the ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room. Dates are: Feb. 3, March 3, April 7, Sept. 22, Oct. 6, Nov. 3 and Dec. 1.

Space is limited, so register today by sending an email with your name, title, employer and telephone number to: WeeklyReport@asrs.state.az.us For more information, call (602) 308-5107.

Keep us informed of changes

It's important for members to check and verify information such as your beneficiaries, your address and other personal information found on your member statement, which were recently mailed to all members. As always, you should report any changes to the ASRS as soon as possible. This may include changes due to events such as marriage, divorce, new address or new beneficiary designations.

To report changes, please send an email with the change to: contactus@asrs.state.az.us, or contact our Member Services Division at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson and 1 (800) 621-3778 outside Phoenix and Tucson.

Contribution rates set for next fiscal year

As required by state statute, the Arizona State Retirement System adjusts contribution rates every two years to ensure the pension plan, retiree health insurance supplement plan and long-term disability plan remain fiscally sound.

Due to a variety of factors, including past benefit increases, low mid-term investment returns and changing demographics of the ASRS membership, the ASRS will be increasing contribution rates for the period from July 1, 2005 through June 30, 2007. These new rates will take effect July 1, 2005.

- **Retirement and Retiree Health Insurance Plans :** Increase from the current 5.2 percent of employee and employer contributions to a rate of 7.75 percent.
- **Long Term Disability Plan:** No increase from the current 0.50 percent of employee and employer contributions.
- **Combined Contribution Rate:** Increase from the current 5.70 percent to 8.25 percent.

Additional information on the new rates is posted on our website, www.asrs.state.az.us.

Let us help you plan your retirement

The Member Services Division of the ASRS conducts educational meetings available to all members. As our membership continues to grow, we continue to look to improve our services. This year, the ASRS is offering three different types of meetings to assist you on your path to retirement: **Group Meetings, Seminars and Service Purchase Meetings.**

- **Group Meeting:** Are you planning to retire within one year? In preparation for retirement, learn about potential monthly benefits and options available, completing retirement paperwork, health insurance, and returning to work policies after retirement.
- **Seminar:** Open to all members. In preparation for retirement learn about the ASRS, benefits as an active, inactive and retired member, member responsibilities, how a retirement benefit is calculated, wills and trusts, and Social Security benefits.
- **Service Purchase Meeting:** Open to all members. Learn about the Service Purchase process, types of service purchase, cost calculations and payment options.

Reservations are required and can be made by calling our offices at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson and 1 (800) 621-3778 outside Phoenix and Tucson.

ASRS Group Meetings, Seminars, and Service Purchase Meetings schedules may also be found on our website at www.asrs.state.az.us. Click on "Calendar" at the top of our homepage.

Board & Committee Meetings

- **ASRS Board of Trustees** – Friday, February 18, 8:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.
- **Operations Committee** – Thursday, January 27, 10:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.
- **Investment Committee** – Tuesday, February 1, 5:30 p.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.
- **External Affairs Committee** – Friday, February 4, 10 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of our meetings are posted on our website and are available at our Phoenix and Tucson offices.

Quick Reference
ASRS Related Retirement Legislation
(For Week Ending Friday, January 14, 2005)

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|---|---|--------------------------------------|--------------------------------------|
| HB 2028 - Treasurer's Risk Reports; technical correction Sponsor: Boone As Introduced: Minor changes to ARS 35-319 relating to reports on the impact of security risks on state investments. | Assigned: 1/10 Hse Rules Status: 1/11/05 Second Read Awaiting Hse Rules | As Introduced: None expected. | As Introduced: None expected. |
| HB 2080 - Community Colleges, Retirement, technical correction Sponsor: Knaperek As Introduced: Minor change to ARS 15-1451 relating to optional retirement plans for employees of community colleges. | Assigned: 1/10 Hse Rules Status: 1/11/05 Second Read | As Introduced: None expected. | As introduced: None expected. |
| HB 2044 - Tech Correction; Treasurer's Risk Reports Sponsors: Pearce As Introduced: Minor changes to ARS 35-319 relating to reports on the impact of security risks on state investments. | Status: 1/10 Hse Rules | As Introduced: None expected. | As Introduced: None expected. |
| HB 2149 - Social Security Numbers; government request Sponsor: C. Gray As Introduced: The state and all political subdivisions are prohibited from asking for a person's Social Security number on any form or application unless required by federal law. | Assigned: Hse Rules Status: Awaiting Hse Rules | As Introduced: None expected. | As Introduced: None expected. |
| HB 2472 - ASRS; Payroll Deduction Agreements First sponsor: Rep. McClure. Others: Rep. Downing, Sen. Martin. As Introduced: Mandates that an ASRS member's payroll deduction agreement must continue when the member transfers employment between participating ASRS employers. | Assigned: Pending Status: | As Introduced: None expected. | As Introduced: None expected. |
| HB 2473 - ASRS Retirees; Eligibility For AHCCCS First sponsor: Rep. McClure. Others: Rep. Lopes, Sen. Arzberger. As Introduced: Provides the ASRS with the opportunity to explore the AHCCCS business model and provider network by including "retirees" as an "eligible person" in the AHCCCS definition statutes. | Assigned: Pending Status: | As Introduced: None expected. | As Introduced: None expected. |
| HB 2474 - ASRS; Credited Service Purchase Sponsor: Rep. McClure. As Introduced: Makes a technical correction. | Assigned: Pending Status: | As Introduced: None expected. | As Introduced: None expected. |

LEGEND

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|-----------|---|-------|---|
| AMEND C&P | Constitutional and Proper as Amended by the House Rules Committee | HB | House Bill |
| APPROP | Appropriations Committee | HCR | House Concurrent Resolution |
| ASRS | Arizona State Retirement System | HHR | House Hearing Room |
| C&P | Constitutional and Proper | Hse. | House of Representatives |
| CORP | Corrections Officer Retirement Plan | JUD | Judiciary Committee |
| COW | Committee of the Whole | LTD | Long Term Disability |
| DP | Do Pass | PFC | Proper for Consideration |
| DPA | Do Pass as Amended | PFCA | Proper for Consideration as Amended by the Senate Rules Committee |
| EORP | Elected Officials' Retirement Plan | PIRC | Public Institutions and Retirement Committee |
| FII | Financial Institutions and Insurance Committee | PSPRS | Public Safety Personnel Retirement System |
| FIN | Finance Committee | SB | Senate Bill |
| GF | General Fund | S/E | Strike Everything Amendment |
| GAR | Government Accountability and Reform Committee | Sen. | Senate |
| GOV | Government Committee | SHR | Senate Hearing Room |
| | | WM | Ways and Means Committee |

**The weekly legislative report is available on-line at the ASRS website:
www.asrs.state.az.us**

If you have questions relating to legislation, please contact ASRS Government Relations Officer
Denisse Gee at (602) 240-2027 or via email at WeeklyReport@asrs.state.az.us

The External Affairs Committee (EAC) meets the first Friday of each month at 10 in the 14th floor conference room.